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SUBJECT: ICI SECRETARIAT IMPLEMENTATION MOVING AHEAD...AGAIN

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Classified By: CETI Ambassador Charles Ries, reasons 1.4 b,d

11. (C) SUMMARY: Deputy Prime Minister (DPM) Barham Salih is close to officially announcing an ICI Secretariat head, Iraqi Secretariat staff, and the formation of ICI thematic working

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groups (TWGs) in an early December ICI Executive Steering Committee meeting in Baghdad. Problems still remain in getting ministerial buy-in, however, and Dr. Barham has decided to house the ICI Secretariat in his own office. Econoffs have urged Dr. Barham's key ICI staffer to consider having the DPM deliver a speech on ICI progress to Iraq's parliament and explain how the ICI benefits the country. END SUMMARY.

DPM Appoints New ICI POC for Baghdad Donors

12. (C) Econoffs met with DPM Barham Salih's principal staffer on the ICI Mohammed Qaradaghi on November 21 to discuss the status of ICI implementation. Mohammed is now Dr. Barham's immediate staff liaison with the ICI staff and point of contact for the Baghdad donor community. Mohammed was visibly impressed with the message given to him at the October 28-29 International Reconstruction Fund Facility for Iraq (IRFFI) ministerial in Bari, Italy on making clear progress on ICI implementation. He cited several times international donors approaching him on the issue and clearly conveyed the urgency back with him to the DPM's office when he returned to Baghdad. Mohammed also confirmed to Econoffs he authored the two page ICI Progress Brief produced in mid-November chronicling Iraqi efforts in implementing the ICI Secretariat and associated TWGs that has been informally shared with some donor partners. There will be a meeting of the ICI Executive Steering Committee in early December.

ICI Secretariat -- Some Concrete Steps

13. (SBU) Mohammed confirmed that Dr. Barham has selected Ministry of Industry and Minerals (MIM) Director General Hadi Hussein to be the head of the ICI Secretariat. Dr. Hadi is a graduate of London's Imperial College and has the equivalent of a PhD. Mohammed said Dr. Hadi had to wrap up MIM responsibilities in November followed by previously scheduled overseas travel; he is expected to start his job as the ICI Secretariat director "in early December." Mohammed also said

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the first round of interviews for Iraqi staff for the

Secretariat in mid-November did not go well, so a second

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round of interviews are being done of 14-15 candidates for the positions of media officer, database manager, and a website manager. These positions will be filled by Iraqi ministry officials who will not receive a separate salary.

14. (C) Dr. Barham also has decided the ICI Secretariat will be housed in the DPM's office instead of the more politically neutral Freedom Towers (a joint Iraqi-USG facility in the International Zone (IZ)). When Econoffs asked the reason for this decision, Mohammed frankly stated that the ICI Secretariat is "an Iraqi initiative and should be in an Iraqi

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building". Looking around the cramped DPM's office, Econoffs asked if workspaces would be found for the ICI Secretariat and Mohammed said this would be difficult, but that the DPM's office is expected to move to a new facility in the IZ in the next few months and then space would not be an issue. The four EC-funded ICI Secretariat technical consultants--now expected to begin work in Baghdad in early 2008 if contracting goes smoothly--will be located in the Freedom Towers. Mohammed said there would be "no problem" with communications between the Iraqis and their EC-funded consultants as much of the work would be done by e-mail. (COMMENT: No doubt a large part of the reason to place the ICI Secretariat physically in the DPM's office is to keep the ICI firmly in Dr. Barham's control. The Freedom Towers has several joint Iraqi entities (such as the Procurement Assistance Center) and ministries (such as the Ministry of Planning), as well as the IRFFI Secretariat. The Embassy continues to believe this would have been the best location. END COMMENT).

Much More to be Done on Thematic Working Groups

15. (SBU) Mohammed confirmed he had drafted a template for setting up eight TWGs, several of which have met since the summer in a previous attempt to set them up. They are:

--Energy; 13 members. Two meetings held.

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--Human Resource Development; 14 members. One meeting held.

--Agriculture and Water Management; 11 members. One meeting held.

--Public Resources Management; 6 members. One meeting held.

--Anti-Corruption; no members and no meetings held.

--Security Reform; no members and no meetings held.

--Economic Reform; 4 members and no meetings held.

--National Reconciliation; 2 members and no meetings held.

16. (C) COMMENT: While it is a good step forward to begin documenting the formation of the TWGs and their meetings, stumbling blocks remain. For example, the chair identified for the Energy TWG is Ministry of Oil (MoO) Director General Al Wagaa, who fled Iraq a few months ago after being kidnapped. It is doubtful he will chair this TWG in absentia. In addition, some of the other chairs identified do not seem appropriate, such as the Ministry of Labor and Social Affairs (MoLSA) heading the Anti-Corruption TWG and the Ministry of Finance (MoF) heading the Economic Reform TWG. These are issues the ICI Secretariat will need to address after it is formed, and something the Baghdad donor community will need to monitor closely. END COMMENT.

Trouble on the Horizon with the Planning Ministry?

17. (C) Econoffs also took the opportunity to relay to

Mohammed substantial doubts raised by the Ministry of Planning and Development's (MoPDC) senior advisor Dr. Faik in a meeting on November 11. In this meeting Dr. Faik lambasted the ICI, claiming it represented only donor community efforts, which he implied are largely not relevant to domestic Iraqi concerns. He said he was in the midst of completing a revised National Development Strategy (NDS) that he wanted to serve as an "Iraq-led" process to counterbalance the ICI and its attendant recommendations. Dr. Faik also intends to create his own commissions to harmonize provincial development strategies within the NDS that would be similar to the ICI TWGs. Mohammed said he had been aware of similar remarks Dr. Faik had made when chairing the Iraq Reconstruction Forum (IRFO) meeting (per REFTEL) at the IRFFI Ministerial, but was surprised Dr. Faik still held this view after the Ministerial.

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18. (C) There is a history between the MoPDC and Dr. Barham's office for ownership of the ICI process. Technically, as a multilateral development agreement, the MoPDC should have leadership on the Iraqi side, but Dr. Barham won the political battle in early 2007. Econoffs met with Dr. Faik--whose salary is paid by the USG through an ITAO contract--on November 11 per REFTEL action items for Embassy, which were to 1) follow up with the MoPDC to strongly discourage it from setting up new economic commissions and sub-commissions and 2) to instead urge the MoPDC and the GoI to focus its efforts on setting up and putting to work the ICI Secretariat and associated thematic working groups.

19. (C) Nevertheless, Econoffs are relieved to see Dr. Barham has finally given the mandate of ICI implementation to a new energetic staffer, Mohammed--who has many of the same traits of Dr. Barham's highly productive former Chief of Staff Ahmed Salman. The only drawback, however, is the same with Mohammed as it was with Ahmed: the task is very complex and Mohammed handles a number of non-ICI issues in the DPM's office. It is interesting to note how influenced Mohammed was by the messages he heard at IRFFI; Econoffs believe it was a combination of diverse international engagement on ICI--in other words not the same interlocutors Mohammed normally deals with--and the clear move in the ministerial to channel bilateral donor funds through the ICI vice IRFFI. Hopefully, ICI Secretariat implementation will make headway with the staff officially appointed and commence official duties by the end of December.

110. (C) Econoffs also remain concerned about GoI buy-in as a whole because the effort remains centered, and remains literally housed, in the DPM's office. In addition, Dr. Barham still has not drawn in any advisor's from PM Maliki's circle. Mohammed said that Dr. Barham will not make an announcement when the ICI Secretariat is formally established, instead communicating with the ministries through correspondence. Econoffs suggested to Mohammed he consider raising with Dr. Barham a short presentation to the Iraqi Council of Representatives (CoR) announcing the ICI Secretariat and how the ICI will help Iraqis. Econoffs

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stressed this would be important to get CoR approval for future development and grant projects, such as the set of 10

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Japanese loans that have moved very slowly in the CoR. Finally, Econoffs reiterated the need to continue to educate Iraqi technocrats on how the ICI can benefit them and their programs to garner support.
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